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SUGAR REPORTS

U. S. DEPARTMENT OF AGRICULTURE • PRODUCTION AND MARKETING ADMINISTRATION • SUGAR BRANCH

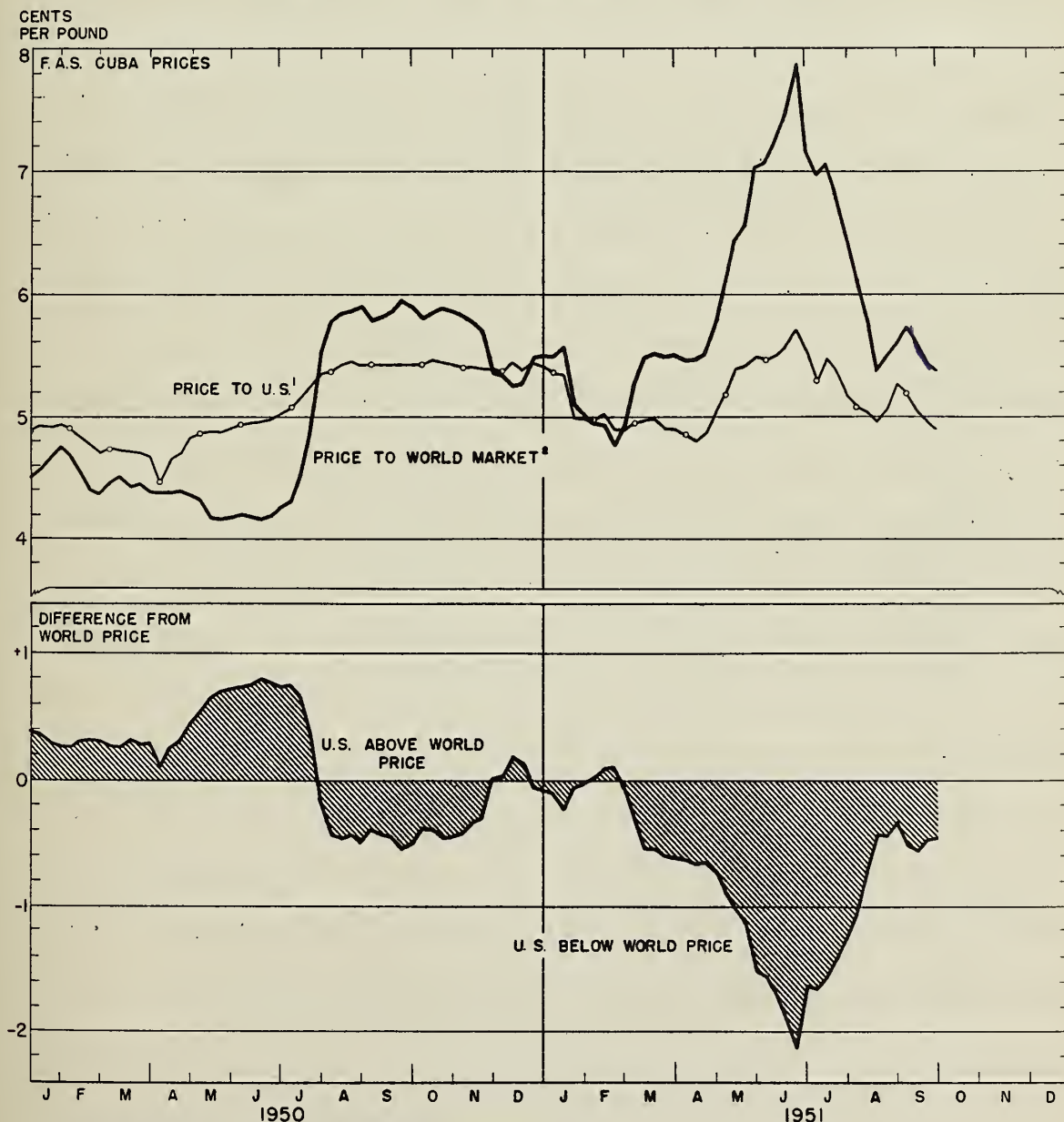
Washington, D. C.

October 25, 1951

No. 13

RAW SUGAR QUOTA PREMIUMS AND DISCOUNTS

WEEKLY COMPARISON, F.A.S. CUBA PRICES OF RAW SUGAR FOR SHIPMENT TO U.S. AND WORLD MARKETS



¹ NEW YORK PRICE LESS DUTY AND FREIGHT AND INSURANCE FROM HAVANA, CUBA.

² F. A. S. HAVANA, CUBA.

Figure 1. - Ever since the outbreak of hostilities in Korea, with the exception of two short periods, Cuba has supplied sugar to the United States at prices well below those which it received for the balance of its crop. The quota provisions of the Sugar Act have had a stabilizing effect on U. S. sugar prices.

U. S. DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

Sugar Requirements and Distribution, 1951

In December, 1950 it was determined by the Secretary of Agriculture that total quota supplies of 8,000,000 short tons, raw value, of sugar would be needed to meet the requirements of consumers in the continental United States during 1951. It was believed that this quantity would result in fair prices and would permit unrestricted consumption and the maintenance of January 1 stocks.

Following two months of low demand, distribution rose sharply in May and by June 2 distribution had exceeded that for the corresponding period in 1950 by about 350,000 tons. The price of refined cane sugar at New York had risen only from 8.25 to 8.50 cents per pound, but prices of raw sugar, duty paid New York, had risen from the low point on April 12 of 5.65 cents per pound to 6.5 cents per pound in early June. On June 8 it was announced that 8,250,000 tons appeared to be required to meet consumer needs.

The refined price rose to 8.75 in late June but had declined to 8.25 on October 1, while the price of raw sugar declined from 6.8 to 5.95 cents per pound. Distribution of sugar, after the sharp rise in May, fell behind last year, and by October 6 the total for the year to date was about 600,000 tons below that for the same period of 1950. Distribution during the third quarter totalled 1,803,000 tons, which was lower for that quarter than for the same quarter in 12 of the past 16 years. At least a part of this decrease in demand is probably due to the fact that buyers are not inclined at present to maintain stocks at the June 30 level. (See Page 10)

Therefore, on October 16 the determination of the quantity required to meet requirements was reduced 350,000 tons to a total of 7,900,000.

Distribution of sugar, by months, for January-September 1951 is shown in the following table together with distribution during 1950, both actual and adjusted to a seasonal basis.

Table 1.

SUGAR DISTRIBUTION BY MONTHS
1950 ACTUAL AND ADJUSTED TO SEASONAL BASIS
AND JAN.-SEPT. 1951 ACTUAL

(1,000 short tons, raw value)

Month	<u>1951</u>	<u>1950</u>		<u>2/</u>
	Actual	Actual	Adjusted to seasonal basis	
January	647	509	505	
February	547	502	555	
March	524	619	662	
April	520	563	695	
May	1,094	738	679	
June	821	862	786	
July	511	1,189	828	
August	671	946	820	
September	621 <u>1/</u>	654	786	
Jan.-Sept.	5,956 <u>1/</u>	6,582	6,316	
October		505	654	
November		510	629	
December		<u>681</u>	<u>679</u>	
Total		8,278	8,278	

1/ Preliminary.

2/ Seasonal pattern obtained from 1935, 1936, 1938, 1940, 1948, and 1949 sugar distribution data.

SUGAR DISTRIBUTION BY MONTHS
1950 ACTUAL AND ADJUSTED TO SEASONAL BASIS
AND JANUARY-SEPTEMBER, 1951 ACTUAL

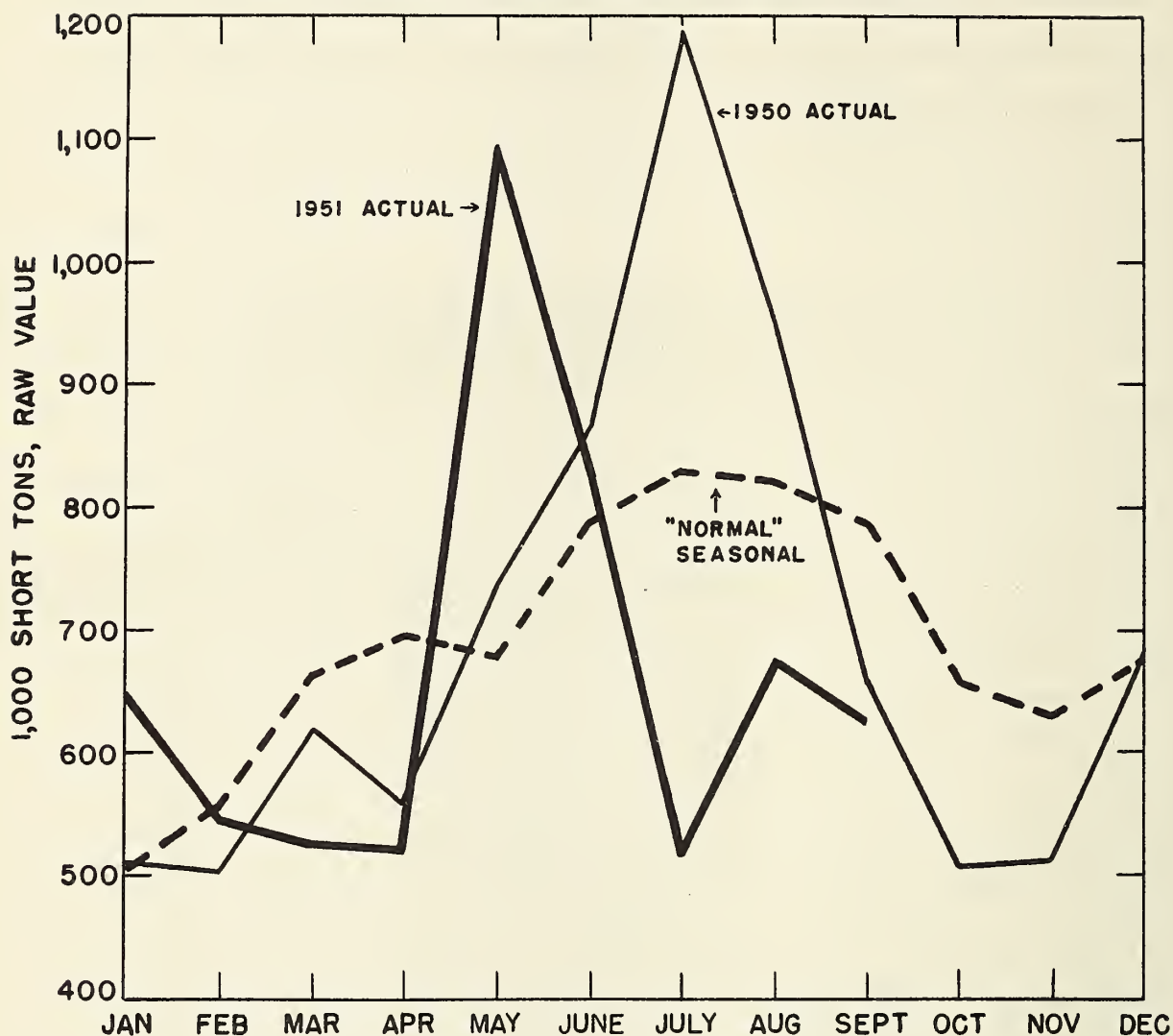


Figure 2. - Following the outbreak of hostilities in Korea in June, 1950 many buyers purchased sugar in excess of their normal seasonal needs. In May, 1951, preceeding a price rise, buyers again made heavy purchases. For several months following each peak, buying and distribution were at abnormally low levels, while stocks in the hands of consumers were being liquidated.

Sugar Prices

Following the outbreak of hostilities in Korea last year European countries began making large purchases of sugar in the world market. Consequently the price for world sugar which had been fairly stable during the first six months of the year began to rise rapidly. The U. S. price rose also but not to the same extent. By the last week of July 1950 the price of sugar to the world market was above that for the U. S. market. This situation has prevailed since that time with the exception of a few weeks in November - December 1950 and February 1951.

This spread reached its peak in the third week of June of this year when the price to the world market averaged 2.16 points above the U. S. price. Since that time the spread has gradually narrowed and by the last week in September was only .466.

Table 2 shows a comparison of the weekly average price for U. S. raw sugar and for world sugar for 1950 and January - September 1951.

Table 2.

Raw Sugar Prices f.a.s. Cuba for U.S. and World Markets
and Premiums and Discounts
Weekly Jan. 1950-Sept. 28, 1951

Date	Raw Sugar c.i.f. N.Y. less insurance and freight from Cuba	World Price f.a.s. Cuba	Premiums and Discounts
	(1)	(2)	(3)
Week Ending			
Jan. 6, 1950	4.867	4.472	.395
13	4.938	4.574	.364
20	4.930	4.650	.280
27	4.976	4.730	.246
Feb. 3	4.926	4.680	.246
10	4.840	4.528	.312
17	4.725	4.400	.325
24	4.670	4.350	.320
Mar. 3	4.700	4.440	.260
10	4.732	4.492	.240
17	4.724	4.410	.314
24	4.720	4.446	.274
31	4.682	4.398	.284
Apr. 6	4.446	4.365	.081
14	4.640	4.374	.266
21	4.700	4.396	.304
28	4.810	4.360	.450
May 5	4.860	4.300	.560
12	4.870	4.176	.694
19	4.870	4.174	.696
26	4.894	4.180	.714
June 2	4.930	4.200	.730
9	4.940	4.196	.744
16	4.954	4.160	.794
23	4.976	4.198	.778
30	5.018	4.264	.754
July 7	5.080	4.312	.768
14	5.172	4.520	.652
21	5.260	4.886	.374
28	5.360	5.530	- .170

(continued)

Table 2 (continued)

Date	Raw Sugar c.i.f. N.Y. less insurance and freight from Cuba	World Price f.a.s. Cuba	Premiums and discounts
	(1)	(2)	(3)
Week Ending			
Aug. 4, 1950	5.370	5.790	- .420
11	5.410	5.836	- .426
18	5.428	5.850	- .422
25	5.410	5.890	- .480
Sept. 1	5.410	5.800	- .390
8	5.410	5.812	- .402
15	5.410	5.864	- .454
22	5.410	5.950	- .540
29	5.410	5.900	- .490
Oct. 6	5.410	5.800	- .390
13	5.450	5.847	- .397
20	5.432	5.870	- .438
27	5.412	5.850	- .438
Nov. 3	5.400	5.816	- .416
10	5.400	5.750	- .350
17	5.396	5.690	- .294
24	5.390	5.365	.025
Dec. 1	5.366	5.330	.036
8	5.430	5.240	.190
15	5.374	5.250	.124
22	5.430	5.470	- .040
29	5.405	5.475	- .070
Jan. 5, 1951	5.352	5.470	- .118
12	5.338	5.554	- .216
19	4.990	5.098	- .108
26	4.984	5.006	- .022
Feb. 2	4.960	4.950	.010
9	5.010	4.930	.080
16	4.890	4.762	.128
23	4.890	4.920	- .030
Mar. 2	4.948	5.292	- .344
9	4.970	5.490	- .520
16	4.980	5.500	- .520
23	4.890	5.490	- .600
30	4.890	5.496	- .606

(continued)

Table 2 (continued)

Date	Raw Sugar c.i.f. N.Y. less insurance and freight from Cuba (1)	World Price f.a.s. Cuba (2)	Premiums and Discounts (3)
Week Ending			
Apr. 6, 1951	4.840	5.450	- .610
13	4.800	5.454	- .654
20	4.860	5.510	- .650
27	5.030	5.760	- .730
May 4	5.180	6.088	- .908
11	5.390	6.436	-1.046
18	5.406	6.570	-1.164
25	5.480	7.020	-1.540
June 1	5.478	7.062	-1.584
8	5.490	7.210	-1.720
15	5.550	7.470	-1.920
22	5.700	7.860	-2.160
29	5.520	7.160	-1.640
July 6	5.295	6.962	-1.667
13	5.450	7.040	-1.590
20	5.380	6.816	-1.436
27	5.160	6.410	-1.250
Aug. 3	5.060	6.140	-1.080
10	5.020	5.750	- .730
17	4.950	5.366	- .416
24	5.032	5.470	- .438
31	5.250	5.580	- .330
Sept. 7	5.200	5.728	- .528
14	5.042	5.620	- .578
21	4.962	5.430	- .468
28	4.896	5.362	- .466

Source: Column 1-New York Coffee & Sugar Exchange Spot Quotations less average weekly freight rate from Cuba and insurance. (Willet & Gray)
 Column 2-New York Coffee & Sugar Exchange Spot Quotations Contract 4.
 Column 3-Column 1 minus Column 2.

1951 Cuban Sugar Supplies

On October 1, 1951 there remained in Cuba 1,485,000 short tons of sugar from the 1951 crop. Of this, approximately 575,000 tons will be required to fill the U. S. quota this year, leaving about 910,000 tons for the world market during the rest of 1951 and for shipment to the U. S. and to the world market in early 1952.

The following data, believed to be reliable, show the approximate status of Cuban supplies as of October 1.

Table 3.

<u>CUBAN SUGAR STATISTICS AS OF OCT. 1, 1951</u> (1,000 short tons)	
Carryover Jan. 1, 1951	327
Production, 1951 crop	<u>6,349</u>
Sub-total	6,676
Local consumption quota	<u>- 341</u>
Total available for export and carryover	6,335
<u>Shipped through Sept. 30, 1951</u>	
To United States	2,370
To world	<u>2,480</u>
	<u>- 4,850</u>
Available Oct. 1, 1951	1,485 <u>1/</u>

1/ Approximately 575,000 short tons will be required to fill the 1951 U. S. quota for Cuba announced on October 16.

"INVISIBLE" SUPPLIES OF SUGAR
APRIL-JUNE 1951

For the first time the Department is releasing estimated total stocks, receipts and deliveries or usage for all retailers, wholesalers and industrial users in the continental United States, with the exception of small establishments located in places of 2,500 population or less. The basic data were collected and compiled, and totals estimated for the Department by the Bureau of the Census. The results of the sampling survey are shown in Table 4.

Table 4.

ESTIMATED SUGAR STOCKS, RECEIPTS AND DELIVERIES OR USAGE FOR
RETAILERS, WHOLESALERS AND INDUSTRIAL USERS, APRIL-JUNE 1951
(short tons, raw value)

Type of Business	Inventory <u>April 1</u>	Receipts <u>April-June</u>	Deliveries or Usage <u>April-June</u>	<u>Inventory June 30</u>	
				<u>Tons</u>	<u>As percent of April 1</u>
Retail	35,994*	453,867	412,258	77,603	216
Wholesale	131,532	911,701	846,807	196,426	149
Industrial Use	<u>287,754</u>	<u>551,013</u>	<u>409,067</u>	<u>429,700</u>	<u>149</u>
Total	455,280	1,916,581	1,668,132	703,729	155

* Estimated beginning inventories for retail chains with 11 or more outlets, 22,612 short tons. Data for retail firms with fewer than 11 establishments not collected by Bureau of the Census. Total estimated by Department of Agriculture by assuming the same relationship between usage and receipts for the firms with fewer than 11 establishments as exists for those with 11 or more establishments.

Approximate measures of differences which arise from sampling in estimates of receipts and June 30 inventory as prepared by the Bureau of the Census are given below. The chances are about two out of three that the estimates given would differ from the result of a complete enumeration by less than the percentage shown.

SAMPLING VARIABILITY QUARTERLY SUGAR SURVEY -
RECEIPTS AND ENDING STOCK SECOND QUARTER, 1951

<u>Type of Business</u>	<u>All</u>	<u>Wholesale</u>	<u>Retail</u>	<u>Industrial Users</u>
	5%	9%	2%	6%

Based on deliveries and usage during April-June, the firms had the following number of days supplies on hand on June 30; Retailers, 17; Wholesalers, 21; Industrial users, 95. None of the three groups (as represented by companies reporting to the Department) reached these levels on June 30 of any of the last three years.

Receipts of the companies as estimated from survey data represent only 79 percent of distribution by primary distributors during the quarter, and there is, of course, some duplication in receipts by the various groups. However, deliveries to the military and those direct to institutions are not included. Also, since deliveries by primary distributors during the last two weeks of June were heavy compared to the preceeding and following weeks, it is quite probable a large quantity of sugar reported as delivered was not physically in the hands of these firms by June 30.

SUGAR, DEXTROSE, AND CORN SIRUP DELIVERIES

Although all groups of industrial users purchased larger quantities of sugar in the second quarter of 1951 than they had in the comparable period of 1950, increased deliveries to the canning and ice cream trades were particularly marked. Wholesale and retail grocers, jobbers, and sugar dealers also expanded their purchases but the increase was limited to sugar packed in the larger bags; deliveries in consumer-size packages were slightly below the level of the prior year.

The year-to-year gain was outstanding in the West---where sugar deliveries rose by more than one-third---and was also substantial in the North Central Region. Relatively minor improvement occurred in the South, the Middle Atlantic States, and in New England. Cannerys were responsible for a large part of the record made in the West, but deliveries to all classes of users, including those who purchase consumer-sized packages, showed significant improvement. In the North Central Region, deliveries to all classes of food processors showed year-to-year gains, particularly those to canners and ice cream manufacturers. Almost without exception, sugar deliveries to each of the food processing industries expanded to some extent in each of the regions but only in the West did deliveries in consumer-sized packages increase.

Beet sugar, processed from the record 1950 sugarbeet crop, which had more than accounted for the year-to-year increase in sugar deliveries during the first quarter, again accounted for most of the increase in the second quarter. The upward trend in liquid sugar deliveries which has been so pronounced in recent years continued; deliveries of this product during the quarter were 25 percent larger than in the second quarter of 1950. Domestically refined cane sugar also

scored a year-to-year gain but deliveries of imported direct consumption sugar, as in the first quarter, declined.

Dextrose sales ran ahead of the comparable quarter of 1950 to the extent of 16 percent but unmixed corn sirup sales declined 2 percent. Sixty percent of the gain in dextrose sales resulted from larger purchases by the canning trade which normally does not purchase sweetners in volume until the third quarter. The canning trade expanded its purchases of unmixed corn sirup but not sufficiently to offset a reduction in purchases by confectioners---the group which consistently is the largest user of corn sirup. As in the case of sugar, but to an even greater extent, the West contributed to the improvement in dextrose sales and the improvement was largely centered in the canning industry of that region.

Table 5

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, SECOND QUARTER 1951

Area and Product or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	3,734,770	±10.5
Confectionery and related products	3,539,201	±6.8
Ice cream and dairy products	1,893,715	±24.4
Beverages	4,780,797	±10.6
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	3,193,403	±36.7
Multiple and all other food uses	1,372,197	±4.4
Non-food products	217,050	±64.8
Hotels, restaurants, institutions	142,241	±3.4
Wholesale grocers, jobbers, sugar dealers	17,936,488	±7.9
Retail grocers, chain stores, super markets	5,964,795	±0.3
All other deliveries, including de- liveries to Government agencies	656,928	±123.6
<u>TOTAL DELIVERIES</u>	<u>43,431,585</u>	<u>±10.5</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	15,457,920	-2.1
<u>New England</u>		
Bakery and allied products; cereals and cereal products	164,803	±1.2
Confectionery and related products	329,078	±4.7
Ice cream and dairy products	102,794	±3.1
Beverages	182,102	±6.0
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	108,681	±37.8
Multiple and all other food uses	43,076	-23.3
Non-food products	3,994	-18.7
Hotels, restaurants, institutions	16,894	±17.8
Wholesale grocers, jobbers, sugar dealers	761,124	-1.2
Retail grocers, chain stores, super markets	416,206	-2.4
All other deliveries, including de- liveries to Government agencies	17,426	±104.7
<u>TOTAL DELIVERIES</u>	<u>2,146,178</u>	<u>±1.8</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	792,572	-2.1

(continued)

Table 5 (contd.)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, SECOND QUARTER 1951

Area and Product or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	1,159,489	+6.1
Confectionery and related products	1,726,707	+6.8
Ice cream and dairy products	559,370	+17.3
Beverages	1,201,328	+12.3
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	623,715	+16.8
Multiple and all other food uses	698,414	-4.6
Non-food products	74,490	+21.2
Hotels, restaurants, institutions	81,505	-7.8
Wholesale grocers, jobbers, sugar dealers	2,322,514	-0.5
Retail grocers, chain stores, super markets	1,272,644	-5.3
All other deliveries, including de- liveries to Government agencies	146,159	+35.9
<u>TOTAL DELIVERIES</u>	<u>9,866,335</u>	<u>+4.3</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	2,561,441	-6.2
<u>North Central</u>		
Bakery and allied products; cereals and cereal products	1,199,328	+14.9
Confectionery and related products	1,018,705	+5.7
Ice cream and dairy products	662,297	+37.5
Beverages	906,683	+20.8
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	742,817	+36.8
Multiple and all other food uses	429,355	+16.6
Non-food products	19,467	-36.5
Hotels, restaurants, institutions	13,235	-14.4
Wholesale grocers, jobbers, sugar dealers	6,619,341	+13.3
Retail grocers, chain stores, super markets	1,854,310	+0.4
All other deliveries, including de- liveries to Government agencies	63,100	+12.4
<u>TOTAL DELIVERIES</u>	<u>13,528,638</u>	<u>+13.3</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	4,895,233	-0.9

(continued)

Table 5 (contd.)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, SECOND QUARTER 1951

Area and Product or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	680,476	-0.1
Confectionery and related products	254,677	+6.5
Ice cream and dairy products	329,707	+10.7
Beverages	2,027,708	+3.5
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	555,191	+6.9
Multiple and all other food uses	92,024	+12.3
Non-food products	118,452	+244.1
Hotels, restaurants, institutions	18,458	+26.4
Wholesale grocers, jobbers, sugar dealers	6,112,849	+4.3
Retail grocers, chain stores, super markets	1,619,197	-4.5
All other deliveries, including de- liveries to Government agencies	192,527	+338.8
<u>TOTAL DELIVERIES</u>	<u>12,001,266</u>	<u>+5.0</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	4,968,598	-9.4
<u>West</u>		
Bakery and allied products; cereals and cereal products	530,674	+33.0
Confectionery and related products	210,034	+17.6
Ice cream and dairy products	239,547	+44.6
Beverages	462,976	+25.2
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	1,162,999	+76.0
Multiple and all other food uses	109,328	+44.8
Non-food products	647	+154.7
Hotels, restaurants, institutions	12,149	+151.9
Wholesale grocers, jobbers, sugar dealers	2,120,660	+16.9
Retail grocers, chain stores, super markets	802,438	+27.2
All other deliveries, including de- liveries to Government agencies	237,716	+205.6
<u>TOTAL DELIVERIES</u>	<u>5,889,168</u>	<u>+34.6</u>
Deliveries in consumer-size packages (less than 100 pounds) 1/	2,240,076	+23.1

Source: Reports of primary distributors of sugar to the Sugar Branch, FMA
1/ "Deliveries in consumer-size packages" are included in "Total Deliveries"

Table 6

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, SECOND QUARTER 1951

Area and Product or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	1,086,664	+5.3
Confectionery and related products	71,817	-2.0
Ice cream and dairy products	96,576	+8.6
Beverages	233,741	+8.3
Canned, bottled, frozen foods, jams jellies, preserves, etc.	256,841	+198.5
Multiple and all other food uses	111,098	+22.0
Non-food products	119,688	+44.6
Wholesale grocers; jobbers; retail grocers; chain; super markets	62,748	+0.1
Other sales including sales to government agencies	45,172	-34.9
TOTAL DOMESTIC SALES 1/	2,084,345	+15.7
<u>New England</u>		
Bakery and allied products; cereals and cereal products	44,612	---
Confectionery and related products	2,184	+68.5
Ice cream and dairy products	8,256	+96.2
Beverages	12,761	-3.4
Canned, bottled, frozen foods, jams jellies, preserves, etc.	1,047	-21.3
Multiple and all other food uses	2,398	-23.0
Non-food products	5,717	+466.6
Wholesale grocers; jobbers; retail grocers; chain; super markets	1,794	+100.7
Other sales including sales to government agencies	1,485	+155.2
TOTAL DOMESTIC SALES 1/	80,254	+14.2

(continued)

Table 6 (contd.)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, SECOND QUARTER 1951

Area and Product or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	203,559	+4.9
Confectionery and related products	35,562	-12.5
Ice cream and dairy products	22,558	+37.3
Beverages	49,257	+47.0
Canned, bottled, frozen foods, jams jellies, preserves, etc.	17,624	+17.4
Multiple and all other food uses	39,693	+22.2
Non-food products	26,659	-5.5
Wholesale grocers; jobbers; retail grocers; chain; super markets	8,134	+73.6
Other sales including sales to government agencies	3,513	-83.3
TOTAL DOMESTIC SALES 1/	406,559	+5.3
<u>North Central</u>		
Bakery and allied products; cereals and cereal products	447,533	-1.2
Confectionery and related products	21,196	+1.4
Ice cream and dairy products	27,201	-8.5
Beverages	96,373	-8.2
Canned, bottled, frozen foods, jams jellies, preserves, etc.	21,313	+2.0
Multiple and all other food uses	49,681	+28.3
Non-food products	23,822	-13.8
Wholesale grocers; jobbers; retail grocers; chain; super markets	25,649	-7.9
Other sales including sales to government agencies	23,493	+22.5
TOTAL DOMESTIC SALES 1/	736,261	-0.9

(continued)

Table 6 (contd.)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, SECOND QUARTER 1951

Area and Products or Business of Buyer	Second Quarter 1951 (cwt.)	Change from 2nd quarter 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	261,995	+11.6
Confectionery and related products	7,975	+43.7
Ice cream and dairy products	26,610	+7.1
Beverages	47,867	+18.3
Canned, bottled, frozen foods, jams jellies, preserves, etc.	36,070	+15.4
Multiple and all other food uses	13,147	-1.8
Non-food products	61,595	+155.0
Wholesale grocers; jobbers; retail grocers; chain; super markets	11,572	-21.0
Other sales including sales to government agencies	11,338	-39.3
TOTAL DOMESTIC SALES 1/	478,169	+17.3
<u>West</u>		
Bakery and allied products; cereals and cereal products	128,965	+22.3
Confectionery and related products	4,900	-0.3
Ice cream and dairy products	11,951	-13.0
Beverages	27,483	+15.5
Canned, bottled, frozen foods, jams jellies, preserves, etc.	180,787	+929.2
Multiple and all other food uses	6,179	+83.6
Non-food products	1,895	+7.4
Wholesale grocers; jobbers; retail grocers; chain; super markets	15,599	+6.6
Other sales including sales to government agencies	5,343	-46.2
TOTAL DOMESTIC SALES 1/	383,102	+96.3

Source: Reports of Dextrose manufacturers to the Sugar Branch, PMA

1/ Excludes packaged dextrose; represents sales in continental United States and manufacturer's intra-company usage of dextrose.

Table 7

CORN SIRUP (UNMIXED) SALES BY TYPE OF PRODUCT OR BUSINESS OF BUYER,
SECOND QUARTER 1951

UNITED STATES

<u>Product or Business of Buyer</u>	<u>Second Quarter 1951 (cwt.)</u>	<u>Change from Second Quarter 1950 (percent)</u>
Bakery and allied products, cereal and cereal products	263,244	-2.3
Confectionery and related products	1,455,819	-10.1
Ice cream and dairy products	119,593	+33.2
Brewery and brewery supply houses	93,057	-2.5
Soft drinks	2,788	-55.9
Total beverages	95,845	-5.9
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	250,677	+28.1
Blended sirups	681,104	-3.0
Miscellaneous food products	176,973	+29.7
Total multiple and all other products	858,077	+2.3
Non-food products	109,663	-3.7
Wholesale grocers, jobbers, sugar dealers	62,691	-10.4
TOTAL DOMESTIC SALES	3,215,609	-2.5
TOTAL DOMESTIC SALES, DRY BASIS 1/	2,582,134	

Source: Corn refiners' reports to Price Waterhouse; distributed through Grain Branch, FMA.

1/ Based on 43° sirup with average solids content of 80.3 percent.

Table 8

SUGAR DELIVERIES BY TYPE OF PRODUCT OR BUSINESS OF BUYER
AND BY TYPE OF SUGAR, SECOND QUARTER 1951 1/

. 21 .

UNITED STATES

Product or Business of Buyer	Beet (cwt.)	Cane 2/ (cwt.)	Imported D.C. (cwt.)	Liquid 3/ (cwt. equiv.)	Total Sugar (cwt.)
Bakery, cereal and allied products	1,361,542	2,029,342	215,925	127,961	3,734,770
Confectionery and related products	820,152	1,615,574	655,220	448,255	3,539,201
Ice cream and dairy products	573,915	761,842	151,635	406,323	1,893,715
Beverages	952,585	2,333,215	668,778	826,219	4,780,797
Canned, bottled, frozen foods; jams, jellies, preserves	1,404,118	991,500	359,090	438,695	3,193,403
Multiple and all other food uses	303,842	700,975	8,548	358,832	1,372,197
Non-food products	5,581	117,000	81,826	12,643	217,050
Hotels, restaurants, institutions	12,432	123,722	4,820	1,267	142,241
Wholesale grocers, jobbers sugar dealers	3,819,291	13,370,460	726,726	20,011	17,936,488
Retail grocers, chain stores, super markets	892,547	4,990,517	78,927	2,804	5,964,795
All other deliveries, including deliveries to Government agencies	169,989	486,939	4/	4/	656,928
TOTAL DELIVERIES	10,315,994	27,521,086	2,951,495	2,643,010	43,431,585
Deliveries in consumer- size packages (less than 100 lb.) 5/	2,266,270	13,050,195	141,455	-	15,457,920

1/ Represents approximately 95 percent of deliveries by primary distributors in continental United States.

2/ Includes raw sugar delivered by refiners for direct consumption.

3/ Includes continental production and imports.

4/ Included in line 10 to avoid revealing individual company figures.

5/ "Deliveries in consumer-size packages" are included in "Total Deliveries."

Source: Reports of primary distributors of sugar to Sugar Branch, PMA.

THE COCOA SITUATIONProduction

World cocoa production has remained fairly constant since reaching the pre-World War II peak in the late 1930's, except for several short crops immediately following the war. (Table 9.) The relatively low volume of production during the early post-war years resulted mostly from the reaction of producers to pre-war price conditions. Low prices during the 1930's discouraged replanting, trees were not pruned, diseases were permitted to spread unchecked and plantations were abandoned. The deterioration in cocoa holdings was hastened during the war with the closing of European markets, shipping uncertainties, and the necessity for producing other crops. Production was so far below world demand from 1945-46 to 1947-48, that it was necessary to continue cocoa under international allocation.

The first large post-war crop was harvested in 1948-49. Since then, cocoa production has increased slightly each year. The output during 1950-51 is estimated at a record high of 1,733 million pounds. Tentative forecasts for the 1951-52 crop in Brazil, French West Africa, the African Gold Coast and Nigeria indicate still larger production for the coming year. These countries normally produce about three-quarters of the world crop. Good prices since 1946 have encouraged new plantings, better care of bearing trees, and closer harvesting.

Prices

The United States purchases close to 45 percent of the cocoa beans entering world trade and, therefore, leads in price making. The New York price is generally considered to reflect the world price for the more important types

Table 9. COCOA: Estimated world production of cocoa beans, average 1935-36 to 1939-40, annual 1945-46 to 1950-51, and tentative forecast for the 1951-52 crop in principal producing countries 1/ 4/

Continent and Country	Average					Tentative	
	1935-36 to 1939-40 2/					1950-51	Forecast
	1000 lbs.	1945-46	1946-47	1947-48	1948-49	3/ 1000 lbs.	1951-52 3/ 1000 lbs.
<u>North America</u>							
Costa Rica	14,356	10,110	8,400	14,550	13,870	7,300	-
Cuba	7,000	5,000	6,000	6,595	6,500	7,000	-
Dominican Republic	54,049	55,100	69,500	61,730	52,470	64,000	-
Grenada	8,536	5,200	5,700	5,225	5,670	5,800	-
Haiti	3,349	3,000	4,000	4,400	3,440	3,970	-
Jamaica	4,750	3,360	4,160	4,200	4,790	4,500	-
Mexico	2,500	5,860	12,000	15,500	14,330	15,400	-
Panama	10,418	4,800	6,500	6,585	6,570	5,000	-
Trinidad & Tobago	31,635	9,000	8,435	17,100	12,645	18,000	-
Other North America	1,307	1,300	1,350	4,900	4,250	3,600	-
Total	137,900	102,730	126,045	140,785	124,535	133,210	-
<u>South America</u>							
Brazil	263,980	245,000	338,000	220,000	276,350	300,000	330,000
Colombia	25,000	16,535	24,250	24,700	29,760	28,660	-
Ecuador	42,373	37,337	35,000	35,186	43,700	60,800	-
Venezuela	36,934	33,070	38,000	52,450	31,310	38,360	-
Total	368,287	336,872	435,250	332,336	381,120	411,720	-
<u>Africa</u>							
Belgian Congo	2,809	2,600	2,500	3,500	3,750	5,300	-
Fernando Po & Rio Muni	25,000	38,000	29,000	35,000	30,200	33,000	-
Fr. Cameroons & Equatorial Africa	60,221	77,160	85,000	101,000	109,000	120,000	-
French West Africa	109,937	79,365	79,365	80,000	111,600	132,000	125,000
Gold Coast	609,363	469,000	430,000	467,600	623,150	590,000	605,000
Nigeria	216,318	229,000	246,000	170,000	241,900	246,000	245,000
Sao Thome & Principe	22,496	23,000	20,000	18,000	16,000	17,500	-
Other Africa	8,727	9,103	7,485	9,880	9,600	13,800	-
Total	1,054,871	932,003	899,350	884,980	1,151,200	1,140,600	-
<u>Asia and Oceania</u>							
Total	17,483	12,020	15,100	12,760	14,490	13,480	-
Grand Total.....	1,578,541	1,383,625	1,475,745	1,370,861	1,665,345	1,733,470	-

1/ Production in Brazil for the 12 months May 1-Apr. 30. Production in most other countries from Oct. 1 to Sept. 30.
2/ Export data have been used for all countries except Mexico, Cuba and Colombia. 3/ Preliminary. 4/ Compiled or estimated by OFAR, USDA, from official statistics of foreign governments and U. S. Foreign Service Reports.

and grades of cocoa beans. Table 10 shows the average New York prices of Accra beans yearly from 1935 to 1950 and monthly during the first eight months of 1951. The price of Accra is representative of base grades from Africa, Brazil, and the Dominican Republic.

Table 10. Average yearly price per pound of Accra cocoa beans, spot, f.o.b., New York City, 1935-50, and average monthly prices January - August 1951.

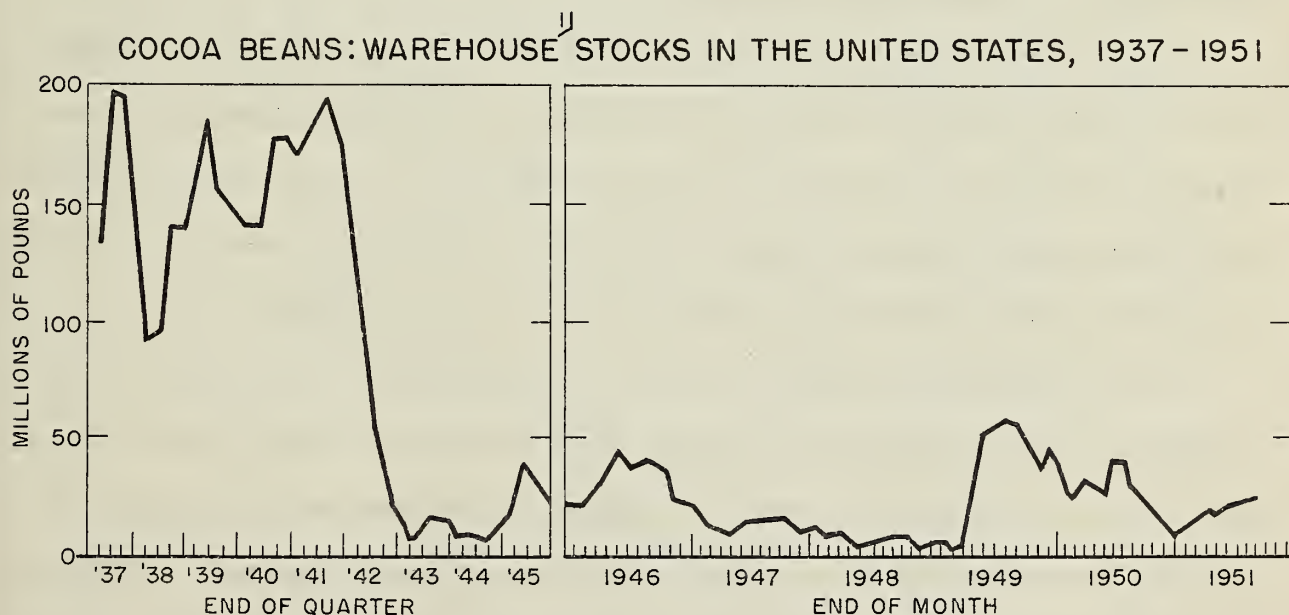
Year	Price $\frac{1}{\text{pound}}$ (cents per pound)	Year	Price (cents per pound)	Year and Month	Price (cents per pound)
1935	5.0	1943	8.9	1951-Jan.	37.0
1936	6.9	1944	8.9	Feb.	37.6
1937	8.4	1945	8.9	March	38.4
1938	5.2	1946	11.5	April	38.4
1939	4.8	1947	35.0	May	38.2
1940	5.1	1948	39.9	June	38.3
1941	7.6	1949	21.5	July	35.0
1942	9.0	1950	32.1	August	35.5

1/ From average wholesale price series published by Bureau of Labor Statistics, U. S. Department of Labor.

During the 1930's, New York cocoa bean prices were at the lowest recorded levels. Bean prices rose somewhat in 1941 and 1942 but leveled off with the imposition of wartime price controls at slightly under 9 cents per pound. After controls were discontinued in 1946, cocoa prices rose rapidly reaching a record annual average of almost 40 cents in 1948. The large harvest of beans in 1948-49

resulted in a drop in prices to 21.5 cents in 1949 and led to the discontinuance of international allocation of cocoa in June, 1949. In 1950 and 1951 economic recovery in European countries strengthened demand in those areas and cocoa prices increased to the current level of about 35 cents per pound.

Cocoa prices have not only been high in recent years, but they have also been unusually volatile. Before the war, some stabilizing influence on cocoa prices was exerted by the existence of large ^{visible} stocks in the main importing countries particularly in the United States. However, the high prices which have prevailed since 1946 have made it extremely hazardous to carry significant stocks, and importing countries generally have learned to operate on comparatively low reserves. Figure 3 shows stocks in warehouses licensed by the New York Cocoa Exchange from 1937 through August 1951.



SOURCE: NEW YORK COCOA EXCHANGE INC.

1/ IN WAREHOUSES LICENSED BY THE NEW YORK COCOA EXCHANGE

Figure 3.- Importers have operated on considerably lower reserves since the beginning of World War II than during the 1930's.

Visible warehouse stocks of 150 million pounds were considered normal in prewar years. But since the end of the war, visible stocks have seldom exceeded 50 million pounds and have on occasion fallen to less than 6 million. Nothing is known of the size of invisible stocks but visibles are an indication of the total stock picture.

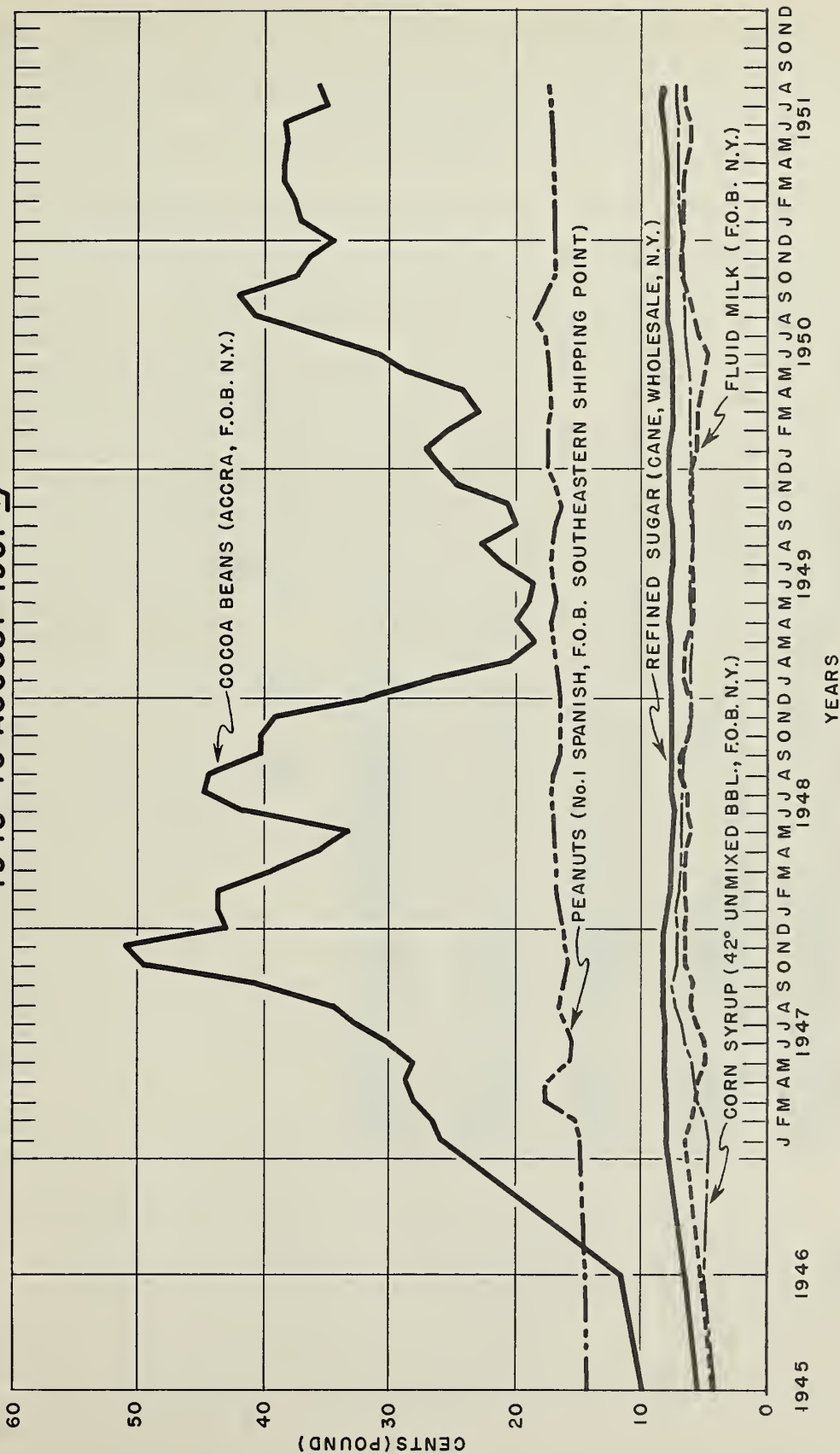
Prices have been slightly lower since July than they were during the first half of the year and distant futures are about 2 cents per pound lower than current futures, indicating that present crop prospects are adequate to meet prospective market requirements. Naturally, this situation would be affected by changes in the international situation.

Changes in the Price and Cost Relationship of Cocoa and Other Principal Ingredients of Confectionery Products

The price of cocoa beans has risen much more percentagewise since 1945 than the price of most of the other principal confectionery ingredients such as sugar, corn sirup, peanuts, and milk (Figure 4). From 1945 to August 1951, cocoa bean prices increased almost 300 percent while sugar, corn sirup, milk, and peanut prices increased an average of only about 40 percent.

Figure 5 shows the changes in the cost relationship of cocoa and cocoa products and other ingredients used in the manufacture of candy from 1941 to 1947. The data in Figure 5 cover all chocolate and non-chocolate candy and show the ingredients in the forms in which confectioners reported utilization. For instance, the cost of the sugar used in the manufacture of chocolate coatings and sweetened condensed milk is included in the figures for cocoa and cocoa products and milk and milk products, respectively.

PRICES OF PRINCIPAL INGREDIENTS ENTERING INTO CONFECTIONERY MANUFACTURE, 1945 TO AUGUST 1951



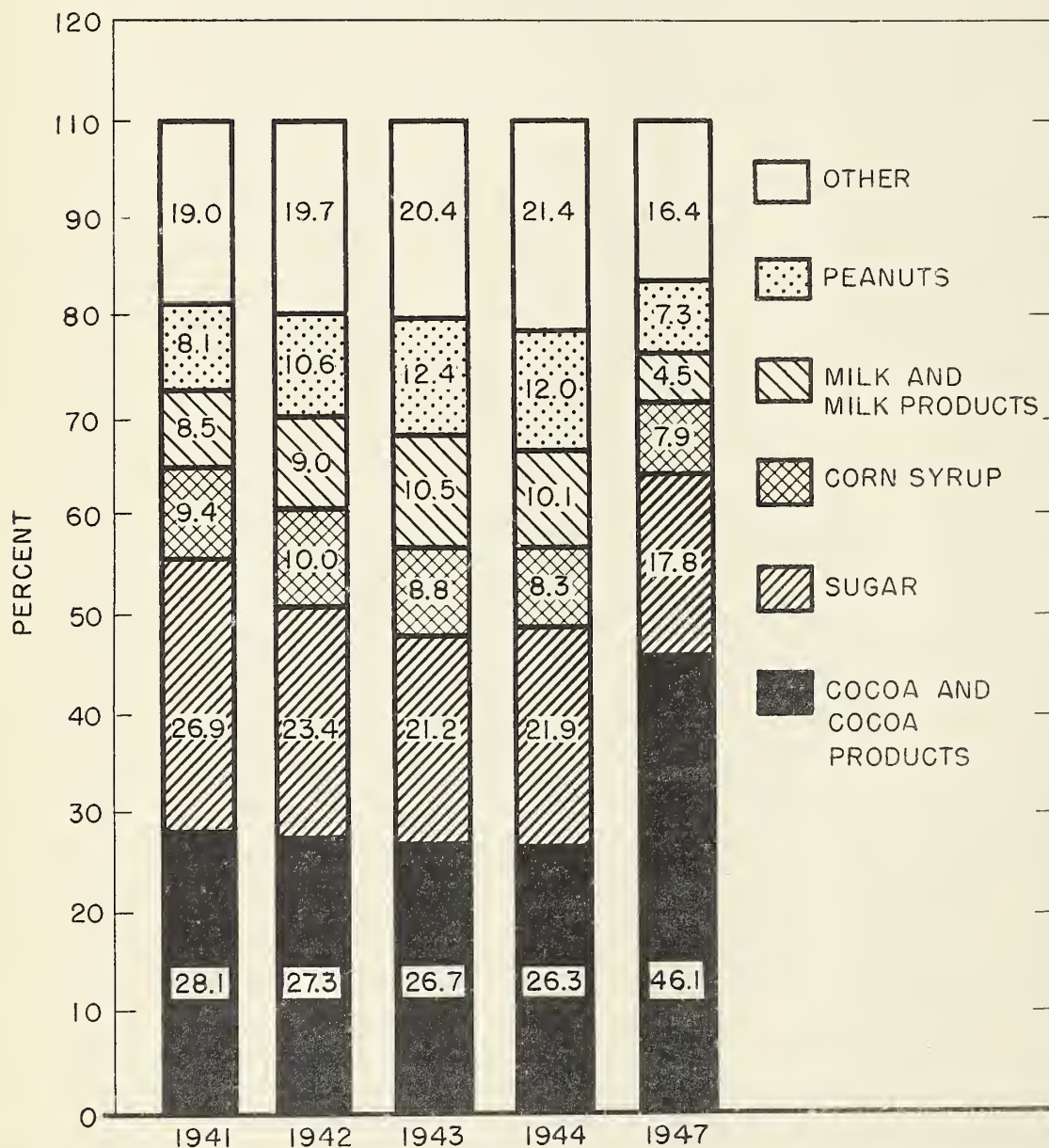
ALL PRICES EXCEPT WHOLESALEREFINED SUGAR FROM BUREAU OF LABOR STATISTICS REPORTS.
SUGAR PRICES FROM LAMBORN AND COMPANY.

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PRODUCTION AND MARKETING ADMINISTRATION

Figure 4.- From 1945 to August 1951, cocoa bean prices increased almost 300 percent, while the average percentage increase of all other principal ingredients was about 40 percent.

PERCENTAGE DISTRIBUTION OF THE COST OF PRINCIPAL INGREDIENTS USED BY THE CONFECTIONERY INDUSTRY, 1941-44 AND 1947^{1/}



^{1/} FROM DATA PUBLISHED IN SUPPLEMENT TO "CONFECTIONERY SALES AND DISTRIBUTION, 1947" BY GEORGE F. DUDIK, FOOD DIVISION, OFFICE OF DOMESTIC COMMERCE, U.S. DEPARTMENT OF COMMERCE, JANUARY 1949

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PRODUCTION AND MARKETING ADMINISTRATION

Figure 5.- Cocoa and cocoa products comprised almost half the total cost of confectionery ingredients in 1947 compared to slightly more than one quarter of the total cost from 1941-44.

In 1941, the cost of cocoa and cocoa products comprised 28.1 percent of the total cost of ingredients used by the confectionery industry. Sugar was the next most important ingredient from the standpoint of cost, comprising 26.9 percent of the total. From 1942 to 1944, the relationship of cocoa product costs to the cost of other ingredients, changed only slightly. In 1947, however, with cocoa bean prices averaging 35 cents, cocoa and cocoa products constituted over 46 percent of the total cost of confectionery ingredients. Sugar had decreased to less than 18 percent.

There are no data available to bring these cost relationships up to date. It is probable that some economies have been accomplished since 1947 to reduce the proportionate costs of cocoa in confectionery products. For instance, candy recipes can be changed to include less chocolate and more of the relatively inexpensive ingredients. Coatings can be reduced in thickness. Less expensive fat can be substituted for cocoa butter in the manufacture of chocolate coatings. Moreover production and sales emphasis can be placed on non-chocolate candies. However, since the price relationships of cocoa and the other principal ingredients are about the same as they were in 1947, it is reasonable to assume that cocoa and cocoa products are still substantially more important as a confectionery cost item than any of the other ingredients.

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